

## Chapter 7

### Procedures for Vetting Nominees to SBA Advisory Committees

#### 1. What is Vetting?

Vetting is the process of:

- a. Collecting business and personal information on nominees for SBA's advisory committees (Nominee(s)); and
- b. Analyzing the information to determine whether a conflict of interest or the appearance of a conflict of interest exists between the Nominee and SBA or between a business in which the Nominee is a stakeholder (e.g. owner, director, shareholder, employee, Nominee's business, etc.) and SBA.

#### 2. What is the Purpose of Vetting?

The purpose of the vetting process is for SBA management to identify and resolve potential conflicts of interest or appearance problems prior to the appointment of an individual to an SBA advisory committee, and to avoid the appointment of an individual to an advisory committee that has a conflict of interest or the appearance of a conflict that cannot be resolved.

#### 3. What Program Offices Must Appoint Liaisons to Implement Procedures for Vetting Nominees?

The program offices listed below must appoint liaisons to implement procedures for vetting nominees. The appointed liaison must be accountable for determining whether specific criteria listed in paragraph 5 of this chapter are applicable and for providing accurate information to the CMO about the criteria within set time frames.

- a. Office of Government Contracting
- b. Investment Division;
- c. Office of Financial Assistance;
- d. Office of Procurement and Grants Management;
- e. Office of the Inspector General;
- f. Office of Strategic Alliances; and
- g. Office of General Counsel

#### **4. What are the Procedures for Vetting Nominees?**

- a. The CMO collects nominations to fill vacancies on SBA advisory committees. Sources of nominations include, but are not limited to, Congress, trade associations, SBA program offices or private individuals, including self-nominations.
- b. The CMO sends the Nominee an introductory letter and a SBA Form 898 “Advisory Committee Membership – Nominee Information,” to be completed and returned to the CMO.
- c. After receiving the completed SBA Form 898 from the Nominee, the CMO sends an email to the appointed liaisons in the program offices listed in paragraph 3, which identifies:
  - (1) Nominee’s name and home address;
  - (2) Name and address of Nominee’s business(es);
  - (3) Previous names used by Nominee or Nominee’s business(es).
- d. Program office liaisons conduct searches in the relevant databases and files in accordance with paragraph 5 of this chapter and submit the pertinent information, if any, to the CMO or designee;
- e. The CMO reviews information submitted by Nominees and program offices to determine whether to seek legal review of facts suggesting a conflict of interest or the appearance of a conflict. The decision of whether a Nominee is precluded from serving on a SBA advisory committee on conflict grounds is made by the Office of General Counsel, in consultation with the Designated Agency Ethics Official.

#### **5. What Criteria Must Program Office Liaisons Consider When Implementing Procedures for Vetting Nominees?**

When program office liaisons receive an email from the CMO identifying a particular Nominee, program office liaisons must consider the specific criteria listed below. The program office liaison must notify the CMO in writing within five (5) business days, unless an extension is granted by the CMO, if any of the listed criteria are applicable and provide basic information about the criteria. The program office liaisons must also inform the CMO of any other information which may suggest a conflict of interest or the appearance thereof between the Nominee or Nominee’s business and SBA.

- a. Office of Government Contracting
  - (1) Whether the Nominee or the Nominee’s business is certified under SBA’s 8(a) Business Development program? If yes, on what date was the certification issued? What is the status of the certification?

- (2) Whether the Nominee or the Nominee's business is certified under SBA's Small Disadvantaged Business program? If yes, on what date was it certification issued? What is the status of the certification?
- (3) Whether the Nominee or the Nominee's business is a holder of a Certificate of Competency (COC) issued by SBA? If yes, on what date was the COC issued? What is the status of the COC?
- (4) Whether the Nominee or the Nominee's business is certified under SBA's HUBZone program? If yes, on what date was the certification issued? What is the status of the certification?

b. Investment Division

- (1) Whether the Nominee or the Nominee's business is a current SBIC licensee? If yes, on what date was the license issued and what amount of SBA financing did the licensee receive? (The CMO may request additional information about the status of the license).
- (2) Whether the Nominee or the Nominee's business is a current applicant for a SBIC license?
- (3) Whether the Nominee or the Nominee's business has received financing from a SBIC licensee?

c. Office of Financial Assistance

- (1) Whether the Nominee or Nominee's business is a past or current loan recipient under SBA's 7(a) Loan Program? If yes, on what date was the loan issued and in what amount? What is the current status of the loan?
- (2) Whether the Nominee or Nominee's business is a past or current loan recipient under SBA's 504 Loan Program? If yes, on what date was the loan issued and in what amount? What is the current status of the loan?
- (3) Whether the Nominee or Nominee's business is a current applicant for a loan under either the 7(a) or 504 Loan Programs?

d. Office of Procurement and Grants Management

- (1) Whether the Nominee or Nominee's business is a past or current recipient of a contract award from SBA? If yes, on what date was the contract awarded and what was the value of the contract? If so, are there any related outstanding issues or concerns? (The CMO may request additional information about the contract).

- (2) Whether the Nominee or Nominee's business is a past or current SBA grantee? If yes, what type of grant was awarded? On what date and what was the value of the grant? If so, are there any related outstanding issues or concerns? (The CMO may request additional information about the grant).
  - (3) Whether the Nominee or nominee's business is a current offeror or applicant for a SBA contract or grant?
- e. Office of the Inspector General (OIG)
- (1) Whether OIG has information that may suggest there is a conflict of interest or appearance thereof between the Nominee or the Nominee's business and SBA due to OIG activities. After responding to the CMO's request in writing, the OIG liaison will consult verbally with the CMO regarding this information, and the CMO, in consultation with OGC, will make the final determination in accordance with paragraph 4(e).
- f. Office of Strategic Alliances
- (1) Whether the Nominee or the Nominee's business has made a donation to SBA? If yes, on what date was the donation made and what was the value of it?
  - (2) Whether the Nominee or the Nominee's business is a past, current or prospective party to an SBA cosponsorship agreement? If yes, on what date did / will the cosponsorship activity take place? What was the value of the cosponsor's contribution to the cosponsorship activity?
  - (3) Whether the Nominee or the Nominee's business is a past, current or prospective party to a Strategic Alliance Memorandum or any other legal agreement used to formalize SBA's business alliances or joint activities? If yes, please describe the agreement and activity briefly.
- g. Office of General Counsel (OGC)
- (1) Whether the Nominee or the Nominee's business is involved in any current or presently-contemplated litigation against SBA?
  - (2) Whether the Nominee or the Nominee's business is currently debarred or suspended, or is such an action being contemplated?

## **6. What is the Clearance Process for Nominees after Vetting?**

- a. The CMO drafts a recommendation for the Administrator based upon his or her review and OGC opinion, if any.
- b. The CMO prepares the nomination package, which includes:

- (1) SBA Form 58, "Record of Clearance and Approval;"
  - (2) Nominee's resume and other information submitted by the Nominee;
  - (3) SBA Form 898;
  - (4) Any information submitted by program office liaisons; and
  - (5) Letter appointing the Nominee to serve on an SBA advisory committee.
- c. The nomination package must be cleared by the following offices using SBA Form 58:
- (1) OGC;
  - (2) Office of the Executive Secretariat; and
  - (3) the Chief of Staff.
- d. After the formal clearance process is complete, the CMO submits the recommendation and the cleared nomination package to the SBA Administrator for final approval.
- e. If the Nominee is approved by the Administrator, the CMO sends the Nominee a letter signed by the Administrator indicating the capacity in which Nominee will serve as a member on the SBA advisory committee.

